

ORIGINAL

NEW APPLICATION



0000080275

Richard L. Sallquist, Esq. (002677)
SALLQUIST, DRUMMOND & O'CONNOR, P.C.
4500 S. Lakeshore Drive, Suite 339
Tempe, Arizona 85282
Telephone: (480) 839-5202 Fax: (480) 345-0412
Attorneys for Sacramento Utilities, LLC

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

FEB - 4 2008

DOCKETED BY

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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. W-0____-07-____
SACRAMENTO UTILITIES, LLC FOR A)
CERTIFICATE OF CONVENIENCE AND) **SW-20576A-08-0067**
NECESSITY TO PROVIDE WASTEWATER) **APPLICATION**
SERVICE IN MOHAVE COUNTY, ARIZONA.)

Sacramento Utilities, LLC (the "Company" or "Applicant") submits this Application for a wastewater Certificate of Convenience and Necessity. In support of this Application, the Company states as follows:

1. The Applicant was formed as an Arizona limited liability company on September 14, 2007 whose Managing Members are Act III Investments, LLC and Sentinel Investments, LLC. The purpose of the Company is to provide wastewater service to the new 369 acre, 1,239 residential unit Community which is located in Mohave County, Arizona. The property is and being developed by its owners, as set forth on **Tab A** hereto.

2. A copy of the completed Application for a Certificate of Convenience and Necessity ("CC&N") as required by the Commission is attached hereto as **Tab B**.

3. Copies of the Request for Service from the owners of the Subject Area, supporting the Application is attached hereto as **Tab C**.

4. Master Utility Plans for the entire community is attached hereto as **Tab D**.

5. The Company proposes to provide service to the Subject Area under terms and conditions as set forth in the proposed form of Tariff in **Tab E** hereto. The Company's proposed rates and charges are set forth in **Tab B, Attachment 3, Schedule 5**. Also included with that

1 Attachment are the Pro Forma Financial Statements of the Company. The Company specifically
2 requests that the Commission approve that form of Tariff as those rates and charges may be
3 amended by appropriate regulatory action.

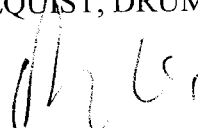
4 6. The Company will utilize the standard form of Line Extension Agreements for
5 wastewater service.

6 7. The Company will provide the form of notice attached as **Attachment 7 to Tab B**
7 to all property owners in the Subject Area. An Affidavit to that effect will be filed with Docket
8 Control upon completion of said notice.

9 WHEREFORE, the Company respectfully requests that the Commission hold a hearing
10 on this Application as soon as practicable, and thereafter issue an order granting the requested
11 wastewater Certificate of Convenience and Necessity and approving the form of Tariff.

12
13 Respectfully submitted this 4th day of February, 2008.

14 SALLQUIST, DRUMMOND & O'CONNOR, P.C.

15 By: 
16 Richard L. Sallquist
17 SALLQUIST, DRUMMOND & O'CONNOR, P.C.
18 4500 S. Lakeshore Drive, Suite 339
19 Phoenix, AZ 85016
20 Attorneys for Sacramento Utilities, LLC
21
22
23

1
2 The original and fifteen copies of
3 the foregoing were filed this 4th
day of February, 2008:

4 Docket Control
5 Arizona Corporation Commission
6 1200 W. Washington St.
Phoenix, AZ 85007

TABS

- A. List of Developers and Projects
- B. ACC CC&N Form Application
- C. Requests for Service
- D. Wastewater Master Utility Plan
- E. Proposed Tariff

Sacramento Utilities, LLC
CC & N Application
Schedule of Proposed Service

	<u>Community Name</u>	<u># of Acres # of Units</u>		<u>Name of Development Entity</u>	<u>Development Entity Ownership</u>		<u>Utility Planner</u>
		<u># of Acres</u>	<u># of Units</u>		<u>Entity Ownership</u>	<u>Entity Ownership</u>	
1.	Shipp Estates	49.75	146	Paul Shuffler, Individual	N/A		Mohave Engineering
2.	Oliver Estates	20.08	86	Polo, LLC	Phil Oliver		Miller Engineering
3.	Corbin Estates	74	255	Blue Sky Investment Group, LLC	Josh Corbin		Miller Engineering
4.	Patterson Estates	67	296	John Patterson, Individual	N/A		Miller Engineering
5.	Kuden Estates	28.94	N/A	Jim Kuden, Individual	N/A		Miller Engineering
6.	Villa Serena Estates	109.73	241	Colorado & Hwy 68 Properties, LLC	Jerry Bloor		Mohave Engineering
	Totals	349.5	1024				

TAB A

ARIZONA CORPORATION COMMISSION

APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

- A. The name, address and telephone number of the Applicant (Company) is:

**Sacramento Utilities, LLC
1247 Country Club Cove
Bullhead City, Arizona 86442
(928) 208-6847**

- B. If doing business (d.b.a.) under a name other than the Applicant (Company) name listed above, specify:

Sacramento Utilities Company

- C. List the name, address and telephone number of the management contact:

**Dwight Zemp
1426 Pineridge Pl.
Castle Rock, Colorado 80108
(303) 888-4977**

- D. List the name, address and telephone number of the attorney for the Applicant:

**Richard L. Sallquist, Esq.
Sallquist, Drummond & O'Connor, P.C.
4500 S. Lakeshore Drive, Suite 339
Phoenix, Arizona 85016
(480) 839-5202**

- E. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

**Dwight Zemp
1426 Pineridge Pl.
Castle Rock, Colorado 80108
(303) 888-4977**

F. List the name, address and telephone number of the on-site manager of the utility:

Pat Carpenter
2879 St. Andrews
Williams, Arizona 86046
(928) 606-0498

The Applicant is a:

<input type="checkbox"/> Corporation: <input type="checkbox"/> "C", <input type="checkbox"/> "S", <input type="checkbox"/> Non-Profit <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input checked="" type="checkbox"/> Limited Liability Company (LLC)
<input type="checkbox"/> Other (Specify)	

H. If Applicant is a corporation: **N/A**

1. List names of Officers and Directors:

Officers

Directors

_____	_____
_____	_____
_____	_____
_____	_____

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.

3. Attach a copy of the Articles of Incorporation.

4. Attach a copy of the corporation's By-Laws.
5. If a for-profit corporation, indicate the number of shares of stock authorized for issue:
6. If stock has been issued, indicate the number of shares issued and date of issue:

I. If the Applicant is a partnership: **N/A**

1. List the names of the general partners:

2. List the name, address and telephone number of the managing partners:

3. Attach a copy of the Partnership's Articles of Partnership.

- If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

J. If the Applicant is a sole proprietor, list the name, address and telephone number of the proprietor:

N/A

1. List the names of managers:

Act III Investments, LLC and Sentinel Investments, LLC.

- L. List the names and addresses of any other public utility interest, which the applicant may have:

N/A

- M. Attach a description of the area requested using **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and dockets will not be accepted.

Please see Attachment 1 hereto.

- N. Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors.

Please see Attachment 2 hereto.

- O. Attach financial information in a format similar to Attachment "C".

Please see Attachment 3 hereto.

- P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

The Backbone Facilities will be funded with Membership Capital.

The On-site Facilities will be funded by subdivision builders through Line Extension Agreement Advances.

- Q. Estimated starting and completion dates of construction of utility facilities:

Starting date **Phase One, Fourth Quarter 2007** Completion **Second Quarter 2008**

- R. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form.

Please see Attachment 3, Schedule 5 hereto, and Tab E to the Application.

- S. Attach the following permits:

1. The franchise from either the City or County for the area requested.

To be filed as late filed Attachment 4.

2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities.

To be filed as late filed Attachment 5.

3. The Arizona State Land Department approval. (If you are including any State land in your

3. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)

N/A

4. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)

N/A

5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.

N/A

- If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer.

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.

6. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district.

Please see Schedule 2b to Attachment 3.

T. Provide the following information: **Please see Schedules 2a to Attachment 3.**

1. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation:

Residential:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Commercial:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Industrial:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Irrigation:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

2. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

Residential:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Commercial:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Industrial:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Irrigation:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

3. Indicate the total estimated annual operating revenue for each of the first five years of operation:

Residential:

First Year _____ Second Year _____ Third Year _____
Fourth Year _____ Fifth Year _____

Commercial:

First Year _____ Second Year _____ Third Year _____
Fourth Year _____ Fifth Year _____

Industrial:

First Year _____ Second Year _____ Third Year _____
Fourth Year _____ Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____
Fourth Year _____ Fifth Year _____

4. Indicate the total estimated annual operating expenses for each of the first five years of operation:

Residential:

First Year _____ Second Year _____ Third Year _____
Fourth Year _____ Fifth Year _____

Commercial:

First Year _____ Second Year _____ Third Year _____
Fourth Year _____ Fifth Year _____

Industrial:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation:

First Year _____ Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

5. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3).

Please see Attachment 3, Schedule 1.

6. Indicate the total estimated cost to construct utility facilities:


Please see Attachment 3, Schedule 1.

- U. **The form of notice to be mailed the property owners within the proposed service area is attached as Attachment 7 hereto. An Affidavit of Mailing will be late filed upon completion.**

Dated this 4th day of February, 2008.

SALLQUIST, DRUMMOND & O'CONNOR, P.C.

By: _____


Richard L. Sallquist
SALLQUIST, DRUMMOND & O'CONNOR, P.C.
4500 S. Lakeshore Drive, Suite 339
Tempe, AZ 85282
Attorneys for Sacramento Utilities, LLC

ATTACHMENTS

1. Legal Description for Requested Water Area and Sewer Area
2. Maps of Requested Sewer Area
3. Pro forma Financial Statements and Supporting Schedules
4. Mohave County Franchise (late filed)
5. ADEQ Approval to Construct (late filed)
6. Notice to Property Owners

SACRAMENTO UTILITIES COMPANY
LEGAL DESCRIPTION

PARCEL 1 (Shipp Estates)

The East half of the Southeast quarter of the Southwest quarter (20 acres), and

The South half of the Southwest quarter of the Southeast quarter of the Southwest quarter (5 acres), all in Section 12

PARCEL 2 (Oliver Estates)

The Southwest quarter of the Southeast quarter of the Southeast quarter (10 acres), and

The West half of the Southeast quarter of the Southeast quarter of the Southeast quarter (5 acres), all in Section 12

Parcel 3 (Blue Sky)

The West half of the Southwest quarter of Section 10, (80+/- acres)

Parcels 1, 2, and 3 all being in Township 21 North, Range 19 West, G&SRB&M, Mohave County, Arizona

PARCEL 4 (The Kuden Parcel)

The West half of the Northwest quarter of the Southwest quarter (20 acres), and

The West half of the Southwest quarter of the Northwest quarter (20 acres), all in Section 7

PARCEL 5 (The Patterson Parcel)

The Southwest quarter of the Southwest quarter (40 acres), all in Section 7

PARCEL 6 (Villa Serena)

The Northeast quarter of the Southeast quarter (40 acres), and

The Northwest quarter of the Southeast quarter (40 acres), except the Northeast quarter of the Northeast quarter of the Northwest quarter of the Southeast quarter (2.5 acres), and

The West half of the Southeast quarter of the Southwest quarter of the Northeast quarter (5 acres), and

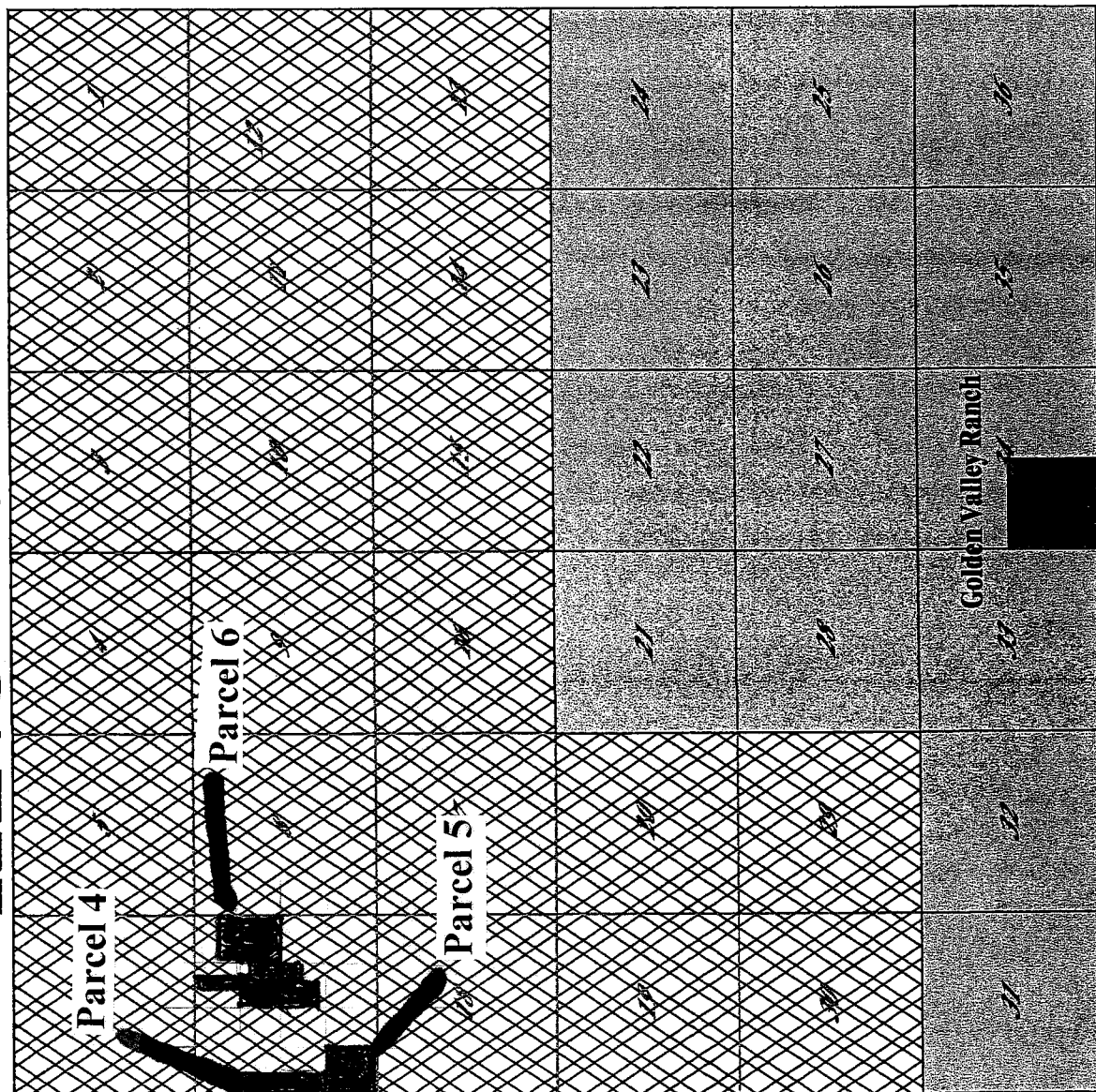
The South half of the Southeast quarter of the Northeast quarter (20 acres), and

The North half of the Southwest quarter of the Southeast quarter (20 acres), and

The North half of the Southwest quarter of the Southwest quarter of the Southeast quarter (5 acres) all in Section 7,

Parcels 4, 5, and 6 all being in Township 21 North, Range 18 West, G&SRB&M, Mohave County, Arizona.

STRANGE 18 West



W-2033 (2)
Valley Pioneer's Water Company, Inc.

W-20380 (4)
Perkins Mountain Water Company
Docket No. W-20380A-05-0490
Perkins Mountain Utility Company
Docket No. SW-20379A-05-0489
Application for CC&N - 3rd Amended

Valley Pioneers Water Company, Inc.
Docket No. W-02033A-06-0262
Application for Extension

Sacramento Utilities Application for a CC&N

RANGE 19 West

TOWNSHIP 21 North

Sacramento Utilities
Application for a CC&N

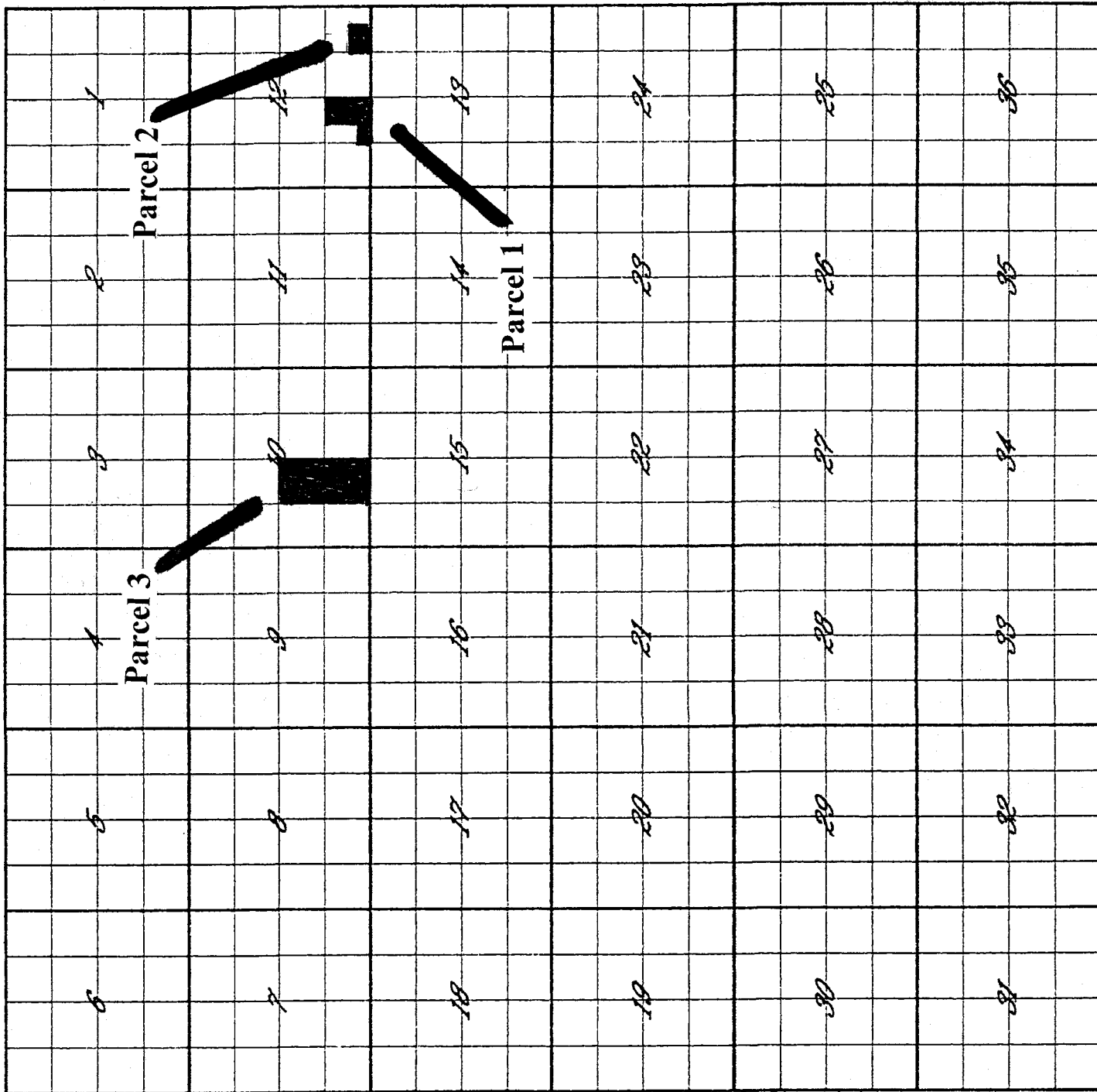


Exhibit 1
Schedule 1

Sacramento Utilities, LLC
Projected Balance Sheets
For the Years Ended

Line No.	Beginning of Year	1st year Changes	Year 1	Year 2	Year 3	Year 4	Year 5
3	Assets						
4	Utility Plant	(a)	1,042,190	1,141,790	3,149,332	3,753,157	7,820,182
5	Accumulated Depreciation	(b)	(985)	(6,172)	(37,923)	(75,401)	(154,805)
7	Cash		50,000	25,598	955,216	848,285	290,545
11	Total Assets		\$ 1,016,803	\$ 1,066,803	\$ 2,090,833	\$ 3,368,290	\$ 4,526,041
12	Equity and Liabilities						
15	Equity						
16	Members Equity	(d)	50,000	1,042,190	1,092,190	1,092,190	1,929,215
18	Retained Earnings	(e)		(25,387)	(31,156)	269,894	608,148
20	Total Equity		\$ 50,000	\$ 1,066,803	\$ 1,061,034	\$ 1,362,084	\$ 2,537,363
22	Liabilities & Deferred Credits						
23	Advances in Aid of Construction	(f)		-	206,357	446,959	1,065,782
24	Contributions in Aid of Construction	(g)		-	827,200	1,800,000	2,581,600
25	Construction	(h)		-	(3,758)	(21,905)	(47,684)
26	Less: Amortization	(i)		-	-	-	(92,824)
27	Customer Deposits						
28	Long-Term Debt						
31	Total Liabilities and Deferred Credits			-	1,029,799	2,225,054	5,418,558
35	Total Equity & Liab.		\$ 50,000	\$ 1,066,803	\$ 2,090,833	\$ 3,368,290	\$ 4,526,041

- (a) Plant Additions (See Schedule 1a)
 (b) Depreciation Computations (See Schedule 1a)
 (c) Change in cash (Please Schedule 3)
 (d) Common Stock issuance and or repurchase. (See Schedule 1b)
 (e) Profit or loss from operations (See Schedule 2)
 (f) Advances in Aid of Construction (See Schedule 1c)
 (g) Contributions in Aid of Construction (See Schedule 1e)
 (h) Amortization of Contributions in Aid of Construction, if applicable (See Schedule 1e)
 (i) Security deposits (2 times average bill)

Sacramento Utilities, LLC

Plant

Projected Years

Exhibit

Schedule 1a

Page 1

Witness:

Bourassa

Line

No.

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Year
1

Account	Description	AIAC Spread	Depreciation Rate	Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance	A/D Balance
				\$		\$	\$	\$	\$	\$
351	Organization		0.00%	10,000		10,000			10,000	-
352	Franchises		0.00%							-
353	Land and Land Rights		0.00%	70,000		70,000			70,000	-
354	Structures and Improvements		3.33%							-
355	Power Generation Equipment		5.00%							-
356	Collection sewers - Force		2.00%							-
357	Collection Sewers - Gravity (AIAC)		2.00%	18,000	1,140	19,140	19,140	191	19,140	191
358	Special Collecting Structures		2.00%							-
359	Services to customers (CIAC)	100.00%	2.00%	6,900	437	7,337	7,337	73	7,337	73
360	Flow measuring Devices		10.00%							-
361	Flow measuring Installations		10.00%							-
362	Reuse Services		2.00%							-
363	Reuse Meters and Meter Install		8.33%							-
364	Receiving Wells		3.33%							-
365	Pumping Equipment		12.50%							-
366	Reuse Distribution Reservoirs		2.50%							-
367	Reuse Transmission and Distrib		5.00%							-
368	Treatment and Disposal Equipment*		5.00%	870,000	55,080	925,080	925,080	278	925,080	278
369	Plant Sewers		5.00%							-
370	Outfall Sewer Lines		3.33%							-
371	Other Plant and Miscellaneous		6.67%							-
372	Office Furniture and Equipment		6.67%	5,000	317	5,317	5,317	177	5,317	177
373	Transportation Equipment		20.00%							-
374	Stores Equipment		4.00%							-
375	Tools, Shop and Garage Equipme		5.00%							-
376	Laboratory Equipment		10.00%	5,000	317	5,317	5,317	266	5,317	266
377	Power Operated Equipment		5.00%							-
378	Communication Equipment		10.00%							-
379	Miscellaneous Equipment		10.00%							-
380	Other Tangible Plant		10.00%							-

Totals

Composite Rate with 1/2 yr convention

Licenses, Taxes, Permits

Engineering and Contingency

Total

*Capacity Adjustment to Depreciation Expense -

380 Treatment Plant (Requires an Accounting Order)

Customer connections

Capacity (in customer connections)

Capacity Factor

\$	984,900	\$	57,290	\$	1,042,190	\$	1,042,190	\$	985	\$	985
----	---------	----	--------	----	-----------	----	-----------	----	-----	----	-----

0.09%

\$	30,000
\$	27,290
\$	57,290

12
1,000
0.0120

[illegible]

Sacramento Utilities, LLC	Plant	Projected Years
1	2	3

[illegible]

[illegible]

Sacramento Utilities, LLC
Plant
Projected Years

[illegible]

Sacramento Utilities, LLC
Projected Capital Financing
Projected Years Ended

Exhibit
Schedule 1b

Line No.	0	1	2	3	4	5
Plant to be Constructed	\$ -	\$ 1,042,190	\$ 99,600	\$ 2,007,542	\$ 603,825	\$ 4,067,025
Financing:						
Sewer Lines Advanced	\$ -	\$ -	\$ 206,800	\$ 243,200	\$ 195,400	\$ 466,000
Plant Installed with Customer Deposits (Advances)	-	-	-	-	-	-
Contributions-in-aid of Construction (Hook-up Fees)	-	-	827,200	972,800	781,600	1,864,000
Common Equity Issued for Plant Construction	-	1,042,190	-	-	-	837,025
Common Equity Issued For Working Capital	50,000	-	-	-	-	-
Debt Financing Issued for Plant Construction	-	-	-	-	-	-
Internal Cash Used for Plant Additions	-	-	-	800,000	-	900,000
Total Financing	\$ 50,000	\$ 1,042,190	\$ 1,034,000	\$ 2,016,000	\$ 977,000	\$ 4,067,025

Sacramento Utilities, LLC
Schedule of Developer Advances and Refunds
Projected Years

Exhibit
Schedule 1c

Line No.	0	1	2	3	4	5
	Year					
<u>Developer Advances Collected</u>						
Developer			\$ 206,800	\$ 243,200	\$ 195,400	\$ 466,000
Total Collected	\$ -	\$ -	\$ 206,800	\$ 243,200	\$ 195,400	\$ 466,000
Cummulative Collected	\$ -	\$ -	\$ 206,800	\$ 450,000	\$ 645,400	\$ 1,111,400
<u>Developer Advances Refunded (a)</u>						
			443	2,598	12,318	30,259
Total Refunds	\$ -	\$ -	\$ 443	\$ 2,598	\$ 12,318	\$ 30,259
Cummulative Refunds	\$ -	\$ -	\$ 443	\$ 3,041	\$ 15,359	\$ 45,618
Cummulative Balance	\$ -	\$ -	\$ 206,357	\$ 446,959	\$ 630,041	\$ 1,065,782
(a) Refund Rate per Year	10% based on revenues.					

Sacramento Utilities, LLC
Schedule of Contributions-in-Aid of Construction
Projected Years

Exhibit
Schedule 1e

Line No.	0	1	2	3	4	5
	Year					
<u>Contributions</u>						
Developer			\$ 827,200	\$ 972,800	\$ 781,600	\$ 1,864,000
Total Collected	\$ -	\$ -	\$ 827,200	\$ 972,800	\$ 781,600	\$ 1,864,000
Cummulative Collected	\$ -	\$ -	\$ 827,200	\$ 1,800,000	\$ 2,581,600	\$ 4,445,600
<u>Amortization</u>						
Composite Rate (1/2 Yr Conv.)	0.00%	0.09%	0.45%	1.01%	1.00%	1.02%
Amortization	\$ -	\$ -	\$ 3,758	\$ 18,147	\$ 25,779	\$ 45,139
Cummulative Amortization	\$ -	\$ -	\$ 3,758	\$ 21,905	\$ 47,684	\$ 92,824
Cummulative Balance	\$ -	\$ -	\$ 823,442	\$ 1,778,095	\$ 2,533,916	\$ 4,352,776

Sacramento Utilities, LLC
Projected Statements of Income
For the 12 Months Ended

Exhibit
Schedule 2

Line No.		Minimum	Year				
			1	2	3	4	5
1			\$ 4,430	\$ 25,978	\$ 123,184	\$ 302,589	\$ 509,401
2							
3							
4	Total estimated Revenues						
5	Variable Expenses						
6	Pumping Power (b)(c)	\$ 3,000	109	676	3,320	8,584	15,023
7	Sludge Removal (b)(c)	\$ 1,000	3,000	3,090	3,183	4,292	7,511
8	Chemicals (b)(c)	\$ 500	1,000	1,030	2,324	6,009	10,516
9	Repairs & Maint.(a)(c)	\$ 1,000	500	515	1,618	4,175	7,308
10	Insurance (a)(c)	\$ 15,000	1,000	1,030	1,061	1,670	2,923
11	Billing, Postage, Operations (a)(c)	\$ 15,000	15,000	15,450	18,342	47,314	82,830
12	Total Variable Expenses		\$ 20,609	\$ 21,791	\$ 29,847	\$ 72,043	\$ 126,111
13							
14	Other Expenses						
15	Depreciation net of Amortization of CIAC from schedules 1a & 1e		985	1,429	13,604	11,699	34,265
16	Office (b)	\$ 2,500	2,500	2,575	2,652	2,732	2,814
17	Legal & Accounting (c)	\$ 2,500	2,500	2,575	2,652	2,732	2,814
18	Miscellaneous Expenses (c) (f)	\$ 1,200	1,200	1,236	1,273	1,311	1,351
19	Testing (d)	\$ 2,500	2,500	2,575	2,652	2,732	2,814
20	Income Taxes						
21	Property Taxes (g)		272	699	3,014	8,674	17,556
22							
23	Total Other Expense		\$ 9,958	\$ 11,089	\$ 25,848	\$ 29,879	\$ 61,613
24							
25							
26	Total Operating Expenses		30,567	32,880	55,695	101,922	187,724
27							
28	Operating income (loss)		\$ (26,137)	\$ (6,902)	\$ 67,489	\$ 200,667	\$ 321,677
29	Less:						
30	Interest (Expense)/Income on Work. Cap. (c)						
31	Interest Expense Long-term Debt (c)		750	1,134	14,712	18,181	16,577
32	Net Income		\$ (25,387)	\$ (5,768)	\$ 82,201	\$ 218,849	\$ 338,254
33							
34	(a) Per customer per month						
35	(b) Per 1,000 gallons treated.						
36	(c) Annual Inflation of:	3.00%					
37	(d) If Applicable						
38	(e) Based on Testing Cost Allowed Sorenson Utility Company by ACC Staff						
39	(f) Miscellaneous Expenses of \$100 per month						
40	(g) See Property Tax Calculation						
41							
42							

Sacramento Utilities, LLC
Schedule of Projected Revenues
For the Years Ended

Exhibit
Schedule 2a
Page 1

Line No.	Year				
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>Residential</u>					
5/8 Inch	\$ 4,260	\$ 24,960	\$ 116,280	\$ 284,400	\$ 478,740
<u>Commercial</u>					
5/8 Inch	-	-	2,055	6,015	9,975
1 Inch	-	-	-	-	-
2 Inch	-	-	-	-	-
<u>Effluent</u>	170	1,018	4,849	12,174	20,686
<u>School 2 Inch</u>	-	-	-	-	-
Total	\$ 4,430	\$ 25,978	\$ 123,184	\$ 302,589	\$ 509,401

(*) Collected only if customer is sewer only.

Sacramento Utilities, LLC
Customer Counts
For Projected Years Ended

Exhibit
Schedule 2a
Page 2

Line No.	Year Ended	Year				
		1	2	3	4	5
2	Residential	12	60	276	564	864
7	Commercial	-	-	3	6	9
17	Total	12	60	279	570	873
21	1/2 Year Convention	1	2	3	4	5
23	Residential	6.00	36.00	168.00	420.00	714.00
26	Commercial	-	-	1.50	4.50	7.50
36	Total	6.00	36.00	169.50	424.50	721.50

Sacramento Utilities, LLC
Gallons Treated (1,000's)
For Projected Years Ended

Exhibit
Schedule 2a
Page 3

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Sacramento Utilities, LLC
Schedule of Projected Revenues
For the Years Ended

Exhibit
Schedule 2a
Page 4

Line No. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32

Projected Customers / Residential

	Year				
	1	2	3	4	5
Estimated connections installed by year end (Cumulative)	12	60	276	564	864
Estimated connection installed during the year	12	48	216	288	300
1/2 Year Convention for Revenue	6.00	36.00	168.00	420.00	714.00
<u>Projected Revenue</u>					
Annual gallonage delivered (in 1,000's)*	274	1,642	7,661	19,152	32,558
Assuming average usage per month of:	7,600				
Daily Gallons	760	4,560	21,280	53,200	90,440
Residential:					
Monthly Mins.	\$ 3,960	\$ 23,760	\$ 110,880	\$ 277,200	\$ 471,240
	\$ 55.00	Minimum Charge			
Establishment Fees at	\$ 25.00				
Total Revenue	\$ 4,260	\$ 24,960	\$ 116,280	\$ 284,400	\$ 478,740
*Flow through factor	0.5				

Sacramento Utilities, LLC
Schedule of Projected Revenues
For the Years Ended

Exhibit
Schedule 2a
Page 5

Line
No.

Projected Customers / Commercial

Year				
1	2	3	4	5

Estimated connections installed by year end
(Cumulative)
Estimated connection installed during the year
1/2 Year Convention for Revenue

-	-	3	6	9
-	-	3	3	3
-	-	1.50	4.50	7.50

Projected Revenue

Annual gallonage delivered (in 1,000's)*
Assuming average usage per month of:
Daily Gallons
Commercial
Monthly

0.75	-	162	486	810
12,000	-	450	1,350	2,250
\$ 110.00 Monthly Charge	\$ -	\$ 1,980	\$ 5,940	\$ 9,900

Establishment Fees at

\$ 25.00 **

Total Revenue

\$ -	\$ -	\$ -	\$ 75	\$ 75
\$ -	\$ -	\$ 2,055	\$ 6,015	\$ 9,975

*Flow through factor

0.75

Sacramento Utilities, LLC
Schedule for the Computation of Projected
Property Taxes for the Years Ended

Exhibit
Schedule 2b
Page 1

Line No.	1	2	3	4	5
	Year				
Revenue Component 1	\$ 4,430	\$ 4,430	\$ 4,430	\$ 25,978	\$ 123,184
Revenue Component 2	4,430	4,430	25,978	123,184	302,589
Revenue Component 3	4,430	25,978	123,184	302,589	509,401
Average 3 years of revenue	\$ 4,430	\$ 11,612	\$ 51,197	\$ 150,584	\$ 311,725
Average 3 years of revenue times 2	\$ 8,859	\$ 23,225	\$ 102,394	\$ 301,167	\$ 623,449
Add:	0	0	0	0	0
Construction Work in Progress at 10%					
Deduct:					
Book Value of Transportation Equipment	0	0	0	0	0
Full Cash Value	\$ 8,859	\$ 23,225	\$ 102,394	\$ 301,167	\$ 623,449
Times Assessment Ratio	24.00%	23.50%	23.00%	22.50%	22.00%
Assessed Value	\$ 2,126	\$ 5,458	\$ 23,551	\$ 67,763	\$ 137,159
Property Tax Rate	12.80%	12.80%	12.80%	12.80%	12.80%
Computed Property Tax	\$ 272	\$ 699	\$ 3,014	\$ 8,674	\$ 17,556

Line No. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

Sacramento Utilities, LLC
Projected Cash Flows
For the Years Ended

Exhibit
Schedule 3

Line No.	0	1	2	3	4	5
	Year					
2						
3						
4						
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45						

Cash from Operations						
Beginning Cash Balance	\$ -	\$ 50,000	\$ 25,598	\$ 955,216	\$ 256,881	\$ 848,285
Income from Operations		(25,387)	(5,768)	82,201	218,849	338,254
Add Depreciation expense		985	1,429	13,604	11,699	34,265
Total Cash From Operations	\$ -	\$ (24,402)	\$ (4,339)	\$ 95,805	\$ 230,547	\$ 372,519
Cash from Financing						
Deposits (security) collected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Long-Term Debt	-	-	-	-	-	-
Common Equity	50,000	1,042,190	-	-	-	837,025
Advances in Aid of Const.	-	-	206,800	243,200	195,400	466,000
Contribution in Aid of Const. (Hook-up Fees)	-	-	827,200	972,800	781,600	1,864,000
Meter Deposits Collected	-	-	-	-	-	-
Total Cash from Financing	\$ 50,000	\$ 1,042,190	\$ 1,034,000	\$ 1,216,000	\$ 977,000	\$ 3,167,025
Uses of Cash:						
Long-term debt Repayment	\$ -	\$ -	\$ 443	\$ 2,598	\$ 12,318	\$ 30,259
Advances Refunded	-	-	-	-	-	-
Meter Deposit Refunded	-	-	-	-	-	-
Deposit (Security) refunded	-	-	99,600	2,007,542	603,825	4,067,025
Capital Improvements - Plant	-	1,042,190	-	-	-	-
Total Cash Uses	\$ -	\$ 1,042,190	\$ 100,043	\$ 2,010,140	\$ 616,143	\$ 4,097,284
Ending Cash Balance	\$ 50,000	\$ 25,598	\$ 955,216	\$ 256,881	\$ 848,285	\$ 290,545
Interest Income: Assuming Earning Equal to Inflation Factor on Average Cash Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Cash Balance	\$ 25,000	\$ 37,799	\$ 490,407	\$ 606,048	\$ 552,583	\$ 569,415
Interest Earned	\$ 750	\$ 1,134	\$ 14,712	\$ 18,181	\$ 16,577	\$ 17,082

Sacramento Utilities, LLC
Rate Base

Exhibit
Schedule 4

Line No.	Year				
	1	2	3	4	5
Plant In-Service	\$ 1,042,190	\$ 1,141,790	\$ 3,149,332	\$ 3,753,157	\$ 7,820,182
Less: Accumulated Depreciation	985	6,172	37,923	75,401	154,805
Net Plant In-Service	\$ 1,041,205	\$ 1,135,618	\$ 3,111,409	\$ 3,677,756	\$ 7,665,377
Less:					
Refundable Meter Deposits	\$ -	\$ -	\$ -	\$ -	\$ -
AIAC Net	-	206,357	446,959	630,041	1,065,782
CIAC Net	-	-	823,442	1,778,095	2,533,916
Plus:					
Cash Working Capital	3,655	3,788	4,608	9,478	15,736
Rate Base at Original Cost	\$ 1,044,859	\$ 933,048	\$ 1,845,616	\$ 1,279,098	\$ 4,081,415
Operating Income	\$ (26,137)	\$ (6,902)	\$ 67,489	\$ 200,667	\$ 321,677
Rate of Return	-2.50%	-0.74%	3.66%	15.69%	7.88%

Sacramento Utilities, LLC
REPRESENTATIVE RATE SCHEDULE

Exhibit
Schedule 5
Page 1

LINE NO.	<u>PROPOSED RATES</u>	
	<u>METER SIZE</u>	<u>MONTHLY CHARGE</u>
1		
2		
3	MONTHLY MINIMUMS:	
4	Residential	\$ 55.00
5	Standard Commerical (gallons per day) ¹	\$ 0.367
6	Non-Standard Commercial (gallons per day) ¹	\$ 0.733
7	RV - Moblie Home Park (per space)	\$ 27.50
8		
9		
10		
11		
12		
13		
14	Treated Effluent per Acre Foot	\$ 202.00
15		
16	¹ Commercial wastewater flows are based on the average daily flows set forth in Engineering Bulletin 12, Table 1	
17	published by the Arizona Department of Environmental Quality (June 1989)	
18	Standard rate will apply to customers whose B.O.D. strength is that of a residential unit	
19	(200-220 B.O.D.). Non-standard rates applies to customers whose B.O.D. strength is higher than	
20	a typical residential unit.	
21		

**Sacramento Utilities, LLC
REPRESENTATIVE RATE SCHEDULES
STATEMENT OF CHARGES**

Exhibit
Schedule 5
Page 2

LINE
NO.

		Proposed
1	A. Establishment of Service	\$ 25.00
2	Establishment of Service, after hours	\$ 50.00
3	(Collected only if customer is sewer only)	
4	B. Re-establishment of Service	see (a)
5		
6	C. Reconnection of service	\$ 30.00
7		
8	D. After hours service charge, per hour	\$ 50.00
9		
10	E. Minimum Deposit	Two Times Monthly Bill
11		
12	F. Charge for NSF Check	\$ 25.00
13		
14	G. Late payment charge for delinquent bills	
15		
16	H. Deferred Payment Finance Charge	1.50%
17		
18	I. Main Extension and additional facilities agreements,	
19		@ COST (b)
20		
21	J. All Revenue related taxes will be charged customers.	
22		
23	RULES AND REGULATIONS	
24	* The Company has adopted the Rules and Regulation established by the Commission	
25	as the basis for its operating procedures. Arizona Corporation Commission Rules	
26	will be controlling of Company procedures, unless specific Commission Orders	
27	provide otherwise.	
28	(a) Monthly minimum times months off the system	
29	(b) Cost to include parts, labor, overhead, and all applicable taxes, including	
30	income tax.	
31		
32		
33		
34		

PUBLIC NOTICE OF AN APPLICATION
FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY
BY SACRAMENTO UTILITIES, LLC

Sacramento Utilities, LLC has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide sewer service to an area in which records indicate that you are a property owner. If the application is granted, Sacramento Utilities, LLC would be the exclusive provider of sewer service to the proposed area. Sacramento Utilities, LLC will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application, available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street/Tucson at 400 West Congress, North Building, Room 218, and at Sacramento Utilities, LLC at 1247 Country Club Cove, Bullhead City, Arizona 85442.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000/400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148.

BLUE SKY INVESTMENT GROUP LLC.
2658 DEL MAR HEIGHTS RD. #241, DEL MAR, CA 92014
PH. (858) 794-0880 FAX (858) 350-9396

October 2, 2007

Sally A. Norris
Sacramento Utilities L.L.C.
1247 Country Club Cove
Bullhead City, AZ 86442

Re: Request for Utility Service

Dear Sally Norris:

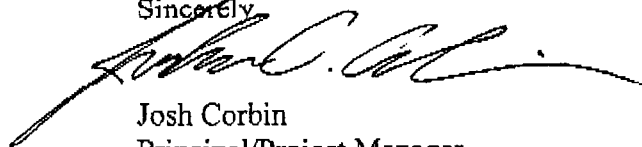
We own 74 acres of Section 10, Township 21N Range 19W in the Mohave County. This area will be developed into approximately 255 residential lots as soon as all required approvals are obtained.

To obtain wastewater service to the area, I hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity and to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide sewer service to the subject development.

I understand that I will be required to enter into the Utilities agreement executed in an amount sufficient to cover that proportion of the cost to construct or expand the proposed Water Reclamation Facility allocated to our development. In addition I understand that I will also be required to enter into the Company's standard line extension agreement covering the construction of the sewer collector line from the subject property to either the closest existing Utility sewer collector line or to the WRF. Further I will pay for all required on-site facilities located within the development.

I further understand that the wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

Sincerely,



Josh Corbin
Principal/Project Manager
Blue Sky Investment Group LLC.

Address: 2658 Del Mar Heights Rd #241
Del Mar, CA 92014
Phone No.: (858) 735-8547

TAB C

Sally A. Norris
Sacramento Utilities L.L.C.
1247 Country Club Cove
Bullhead City, AZ 86442

<Date>

1/10/07

Re: Request for Utility Service

Dear Sally Norris:

I (We) own [substantially all of Section <Z>, Township ~~21 N -~~ *TOWNSHIP 21 N -* ~~Range 22 E~~ *RANGE 13* in the Mohave County. This area will be developed into approximately <insert project description here> as soon as all required approvals are obtained. *WEST*

To obtain wastewater service to the area, I hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity and to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide sewer service to the subject development.

I understand that I will be required to enter into the Utilities agreement executed in an amount sufficient to cover that proportion of the cost to construct or expand the proposed Water Reclamation Facility allocated to our development. In addition I understand that I will also be required to enter into the Company's standard line extension agreement covering the construction of the sewer collector line from the subject property to either the closest existing Utility sewer collector line or to the WRF. Further I will pay for all required on-site facilities located within the development.

I further understand that the wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

Sincerely,

Name:

JIM KUDEN

Address:

P.O. Box 462045

Escondido, CA 92046-2045

Phone No.:

760-743-2622

<Date>

Sally A. Norris
Sacramento Utilities L.L.C.
1247 Country Club Cove
Bullhead City, AZ 86442

Re: Request for Utility Service

Dear Sally Norris:

I (We) own [substantially all of Section <__>, Township <__> Range <__> East in the Mohave County.

The property consists of approximately 67 acres located at the NE corner of Teddy Roosevelt and Shipp Road in Golden Valley, AZ, APN numbers 306-31-009 & 306-31-010A. This area will be developed into approximately 296 R-1 lots as soon as all required approvals are obtained.

To obtain wastewater service to the area, I hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity and to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide sewer service to the subject development.

I understand that I will be required to enter into the Utilities agreement executed in an amount sufficient to cover that proportion of the cost to construct or expand the proposed Water Reclamation Facility allocated to our development. In addition I understand that I will also be required to enter into the Company's standard line extension agreement covering the construction of the sewer collector line from the subject property to either the closest existing Utility sewer collector line or to the WRF. Further I will pay for all required on-site facilities located within the development.

I further understand that the wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

Sincerely,

Name:

John E. Patterson

Address: P. O. Box 491

Fallbrook CA, 92088

Phone No.: (760) 473-5292

Richard Maes
November 2, 1998
Page PAGE: * MERGEFORMAT 2

51030-00000.173

1.00000.280

October 5, 2007

Sacramento Utility LLC
1247 Country Club Cove
Bullhead City, Arizona 86442

Re: Request for Utility Service

To whom it may concern:

I own 109.73 acres of land located to the South of Highway 68 and West of Colorado Road on Brook Drive in Golden Valley, Az. It is approximately the NE ¼ of section 7 Township 21 N, Range 18 West in Mohave County. This area will be developed into approximately 241 single-family residential lots units as soon as all required approvals are obtained. In addition to the single family residential lots, the subdivision includes Multi Family High Density Residential parcels (22) and Commercial parcels (37).

To obtain wastewater service to the acres, I hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity and to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide sewer service to the subject service area.

I understand that I will also be required to enter into the Company's standard line extension agreement covering the construction of the sewer collector line from the subject property to Water Reclamation Facility (the "WRF"). I will pay for all on site facilities.

I further understand that the wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If I can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,



Colorado & Highway 68 Properties LLC Manager Jerry Bloor

1247 Country Club Cove

Bullhead City, Arizona 928-208-6847

APN #'s: 306-31-003G, 306-31-003H, 306-31-004Q, 306-31-004P, 306-31-002E,
306-31-001F, 306-31-00-011B, 306-31-011S, 306-31-004M, 306-31-00xN, 306-31-001G

October 30, 2007

Sally Norris
Sacramento Utilities, LLC
1247 Country Club Cove
Bullhead City, AZ 86442

Re: Request for sewer utility service.

Dear Sally Norris:

I own approximately 49.75 acres of land located to the North of Shipp Drive and ¼ mile West of Teddy Roosevelt in Golden Valley, AZ. It is known as tract 3310 located in Section 12, Township 21N, Range 10W in Mohave County. This parcel will be developed into approximately 146 single-family residential lots as soon as all required approvals are obtained.

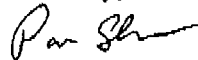
To obtain wastewater service to our development, I hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity and to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide sewer service to the subject service area.

I understand that I will be required to enter into the Company's standard line extension agreement covering the construction of the sewer main from the subject property to the Water Reclamation Facility site or to the nearest point of interconnection with the Utility's sewer main system. In addition I understand that I will be responsible for the cost of all onsite sewer collection system facilities.

I further understand that the wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,



Paul Shuffler
Manager
B L Shuffler and Sons
3633 Stockton Hill Road
Kingman, AZ 86401

October 30, 2007

Sally Norris
Sacramento Utilities, LLC
1247 Country Club Cove
Bullhead City, AZ 86442

Re: Request for sewer utility service.

Dear Sally Norris:

I own approximately 17.66 acres of land located to the North of Shipp Drive and West of Teddy Roosevelt in Golden Valley, AZ. It is located in Section 12, Township 21N, Range 19W in Mohave County. This area will be developed into approximately 86 single-family residential lots as soon as all required approvals are obtained.

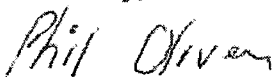
To obtain wastewater service to our development, I hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity and to Mohave County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide sewer service to the subject service area.

I understand that I will be required to enter into the Company's standard line extension agreement covering the construction of the sewer main from the subject property to the Water Reclamation Facility site or to the nearest point of interconnection with the Utility's sewer main system. In addition I understand that I will be responsible for the cost of all onsite sewer collection system facilities.

I further understand that the wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized by the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,



Phil Oliver
Manager
Polo LLC
1641 McCulloch Blvd, #25-500
Lake Havasu City, AZ 86403
Phone No. 928-486-5904

SACRAMENTO UTILITIES, LLC

Master Utility Plan

INTRODUCTION

The purpose of this document is to provide an overview of the business plan for Sacramento Utilities, LLC in support of Sacramento's application to the Arizona Corporation Commission for a Certificate of Convenience and Necessity to initially serve six (6) new residential developments in the Golden Valley, AZ area.

Sacramento has worked for the past two years with the Arizona Department of Environmental Quality and Santee Corporation to prepare and draft an amendment to the Clean Water Act Section 208 (CWA 208) Water Quality Management Plan (WQMP) for Golden Valley, Mohave County area.

Golden Valley is situated between Bullhead city (21 miles west on Highway 68) and Kingman (11 miles east on Highway 68). Laughlin, Nevada, a major gaming center, is located approximately 24 miles from Golden Valley. This location creates a high growth potential for the Golden Valley community over the next 20 years. Much of this growth is expected to occur with a high percentage of new developments concentrated along the Highway 68 corridor. Numerous new residential and commercial developments have been identified which are currently in the planning stages and will likely come to fruition when public sewer service is available in Golden Valley.

Currently there is no centralized wastewater service in Golden Valley and as noted above Sacramento, ADEQ and Mohave County have worked for the past two years and continue to work on a plan to avoid the proliferation of individual small facilities and develop a regionalized plan. To accomplish this the proposed plan calls for first a transition from the use of the small plants, to a series of larger centralized satellite plants, such as the proposed Shipp Water Reclamation Facility, that will be decommissioned and removed from service as future growth becomes sufficient to support the cost of construction, operations and maintenance of a large regional facility.

ADEQ has indicated it willingness to designate Sacramento as the Planning Agency responsible for coordination and administration of the 208 Plan for the area. This will enable Sacramento to continue to work with Mohave County, ADEQ and the Commission to coordinate future expansion of the CC&N service area to meet the future sewer needs of Golden Valley as new developments are approved and developed. The ultimate objective of this plan is the transition to a single regional facility that will serve all of Golden Valley by utilizing the new master sewer network.

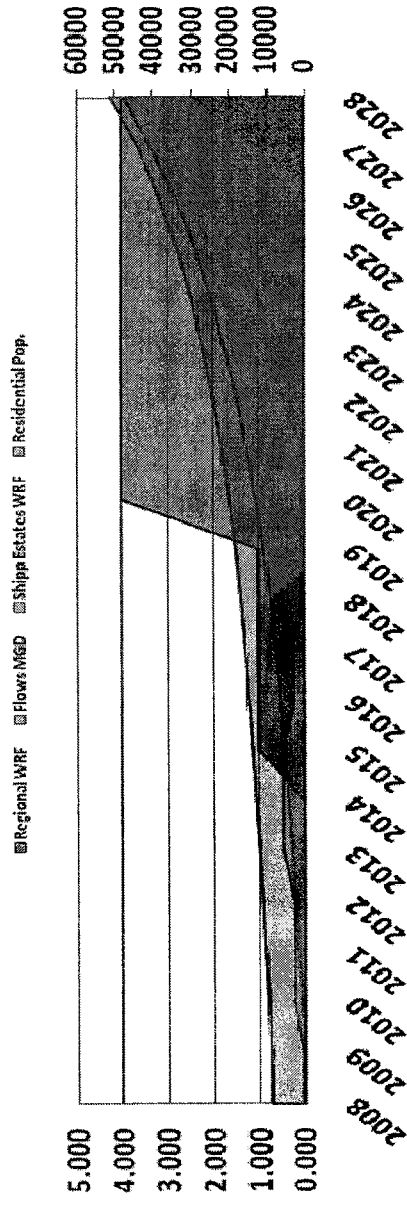
Sacramento Utilities L.L.C. has proposed to develop the wastewater treatment and sewer service for the Golden Valley Area bounded to the east by Hwy 93 and the City of Kingman, the west by the Black Mountains, the south by the Warm Springs Wilderness and which extends approximately 7 miles to the north of Highway 68.

The initial CC&N for Sacramento Utilities LLC will be for six new developments; Shipp Estates, Oliver Estates, Patterson Development, Kuden Development, Blue Sky Investments Development and Villa Serena Estates. These developments are all residential with the exception of 15 acres within the proposed Villas Serena Estates development that is reserved for future commercial development. All of the developments are located south of Highway 68 between Colorado Rd. and Egar Rd. (east and west). They will all be served by the Shipp Estates WRF located near the intersection of Shipp Dr. and Davis Rd. This interim facility will provide reclaimed water class B+ effluent for groundwater recharge and consistent with reclaimed water usages. Construction on Shipp Estates WRF is anticipated to be complete by the summer of 2008 and will have an initial design capacity of 50,000 gpd. The following charts show the anticipated population growth in relationship to the need for sewer treatment capacity as well as the anticipated phases of expansion to the Shipp Estates facility including transition to the regional facility.

The following graph illustrates the projections for population and wastewater flows and how they relate to phasing of the interim and regional plants. POPTAC estimates were not used in the projections since they do not take into account the availability of water to support new development. They are based on historic growth and also do not take into account the effect of the existence of a public sewer infrastructure.

The projections used here were calculated using planned development figures in the initial service area and projecting them out 20 years. The initial growth rate is expected to average around 30-36% and taper to around 18% after 2016.

Projections and WRF Phasing



According to the graph the necessary timing for the phases for Shipp Estates WRF are as follows: phase 2 (0.250 MGD) in 2010, Phase 3 (0.500 MGD) in 2013. The regional WRF phases are; phase 1 (1.0 MGD) in 2015 and phase 2 (4.0 MGD) in 2020. There is a phase 3 planned which will bring the projected total capacity of the regional facility to 7.0 MGD which would take place around the year 2030. This capacity should be sufficient to handle all flows in Golden Valley in the foreseeable future based on known and potential water resources.

Plans are currently in process for expansion of the initial phase of the facility to expand it when sewer flows reach 80% of the initial .050 mgd capacity. Included in the expansion plans are plans to upgrade the treatment level from the initial B+ level to A+ and switch the initial method of effluent disposal from ground water recharge ponds to effluent injection wells. The use of the effluent wells saves land area increasing the maximum facility size from .500 mgd to 1.5 mgd due the facility site size.

As new developments and the need to expand the water reclamation facility occur, Sacramento will expand the water reclamation facility using equity generated through the sale of Membership interest in Sacramento. Expansion of the sewer mains will be financed through line extension agreements under the ACC guidelines for Advances in Aid of Construction. Onsite sewer collector lines located exclusively within the development will be financed and constructed at the Developers cost and contributed to Sacramento upon completion and the Utilities acceptance of the sewer collection system.

The plan is to eventually expand the CC&N to encompass the entire Golden Valley Planning Area. Virtually all development within Golden Valley to date has occurred using septic systems. The plan is to continue to allow both new and existing developments in areas where it is not economically feasible to extend Sacramento's facilities to serve these developments. However, the proposed plan would require connection into the Sacramento system as the CC&N is expanded and there is a sewer main located within 600 feet of the property. At that time the residence will be expected to abandon their septic system and tie into the utility sewer service; however Mohave County may allow continued use at their discretion. Areas to the north of highway 68 are anticipated to be served by Shipp Estates WRF. If however the location of initial major developments would require an exceedingly lengthy extension of the sewer line, a satellite plant may be constructed north of Highway 68.

A network of sewer lines is planned to be constructed and coordinated with construction of the treatment facilities. Sewer interceptor lines are planned to be constructed east to west along Zuni Dr., Chino Dr., Bolsa Dr., Shipp Dr and Shinarump Dr. extending the width of the Golden Valley Planning Area. A sewer main will run north to south along Laguna and will cross Highway 68 along the Sacramento Wash and connect the sewer interceptors running from Zuni Dr. to the north down to Shinarump Dr. to the south. The order these lines are to be constructed will depend on the location of new developments and approval of Sacramento's approved service area.



Construction of the regional WRF is anticipated to commence in 2020 or when the sewer main infrastructure is sufficiently developed to make it economically feasible to transport the sewer flows throughout Golden Valley to the regional plant site. The location of this regional system will be in the vicinity of Laguna road between Bolsa and Unkar. The regional system will provide reclaimed water class A⁺ effluent for direct discharge to an unnamed wash tributary to Sacramento Wash and reclaimed water usage.

Golden Valley is a large expanse that contains different areas with diverse conditions that will affect the nature and likelihood of development.

History of Golden Valley

Historically, the main limiting factor for growth in the Golden Valley area has been the availability of water. Current plans by the Mohave County Zoning Commission involve piping 6,000 acre feet of water from the southern portion of the Sacramento Valley Water Basin to Golden Valley. This combined with full utilization of current resources could provide enough water to support a total of 38,000 residential lots. While it should

be noted that this plan is pending approval by the Arizona Department of Water Resources with no timeline for a decision, should it be carried out, Golden Valley is likely to see major growth in the next 20 years.

Wastewater planning for Golden Valley has included support for the construction of a centralized and regional system and specifically identified a wastewater master plan. This master plan was prepared in 1991 by the Sullivan Design Group, Inc., Consulting Engineers at the request of Mohave County (Sullivan Report), and was adopted as the principal planning document for the Golden Valley area.

The Sullivan Report's main focus was the Golden Valley Study Area. The purpose of this report was to develop a wastewater master plan. The goal was to provide a program of engineered trunk lines, recommend a long term method for treatment and disposal of wastewater and analyze the feasibility of individual package wastewater plants within the study area with the intent of replacing them with a regional system. The report describes how the county has divided Golden Valley into 3 service tiers. The service tiers are numbered from one to three in the order in which future developments were anticipated to occur. The primary emphasis of the plan was on Tier 1 which covers the same area as the current Golden Valley Planning Area. Tiers 2 and 3 were not expected to develop as quickly as Tier 1.

The report identified the initial need to approve private satellite systems in order to not curtail development. In conclusion, the Sullivan Report made several recommendations:

1. The most environmentally responsible, long term solution for wastewater treatment in Golden Valley is to build a regional facility however it may be a number of years before population numbers could support the construction of such a facility.
2. Entities serving the Golden Valley area as a wastewater management entity should provide wastewater disposal and sludge handling and establish tie in policies by written agreement with the county.
3. Major sewer interceptors should be constructed by means of a sanitary district.
4. Satellite facilities should be required to tie in to a regional system when it becomes available.
5. Satellite plants should have a minimum design capacity of .100 mgd.
6. The county should evaluate the feasibility of using a sewer collection system with community septic tank for subdivisions of 55 or fewer lots until a regional system becomes available. At that time the subdivision should be required to tie in to the regional system utilizing its collection lines.
7. Developers should be allowed to construct satellite facilities provided they form a sanitary district to serve nearby subdivisions as they develop. They should also tie in to the regional system and remove the satellite facility once trunk lines are constructed in close enough proximity.

As noted in the prior section of this report little progress has been accomplished toward the goals set forth in the 1991 Sullivan report. Much of the proposed update to the 208 plan is similar to the recommendations outlined in the 1991 Sullivan report. This amendment however provides some necessary updates to the 1991 plan that reflect current regulations and thinking. It also focuses on the ability of the newly forming Sacramento Utilities, LLC to create and administer a more detailed and formalized plan for constructing the master sewer line network and transitioning to a regional plant. It also provides a greater level of detail for effective planning and administration of the plan. Combined with the proposed utility entity, designated (Sacramento Utilities LLC), the plan is now more comprehensive and effective by incorporation of share responsibility for coordinating and executing the plan with Mohave County, ADEQ and Sacramento Utilities, LLC. The outcome of this plan will be stronger, more effective planning combined with improved regulations regarding the use of onsite septic systems, small private wastewater treatment systems, the proposed satellite wastewater treatment system focused upon ultimately achieving the Golden Valley regional water reclamation facility.

SACRAMENTO UTILITIES, LLC

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
1247 Country Club Cove
Bullhead City, Arizona 86442

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TAB E

SACRAMENTO UTILITIES, LLC

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
1247 Country Club Cove
Bullhead City, Arizona 86442

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Cancelling Sheet No.

Applies to all **WASTEWATER** service areas

PART ONE**STATEMENT OF CHARGES**
WASTEWATER SERVICE**I. RATES**

In Opinion and Order No. _____, dated _____, the Commission approved the following rates and charges to become effective with _____:

A. Residential and Commercial Service

	<u>Minimum Charge</u>
Residential	\$55.00
Standard Commercial (gallons per day) ¹	\$0.367
Non-Standard Commercial (gallons per day)	\$0.733
RV-Mobile Home Park (per space)	\$27.50

B. Effluent Sales

All Sized	On a per acre foot basis	\$202.00
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¹ Commercial wastewater flow are based on the average daily flows set forth in Engineering Bullet 12, Table 1, published by the Arizona Department of Environmental Quality (June 1989). Standard rate will apply to customers with B.O.D. is that of a residential unit (200 -220 B.O.D.). Non-standard rates applied to customers whose B.O.D. strength is higher than a typical residential unit.

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
1247 Country Club Cove
Bullhead City, Arizona 86442

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Applies to all **WASTEWATER** service areas

PART ONE

STATEMENT OF CHARGES
WASTEWATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-608(D)(5).

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
1247 Country Club Cove
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Applies to all WASTEWATER service areas**PART ONE****STATEMENT OF CHARGES**
WASTEWATER SERVICE**III. ADDITIONAL CHARGES**

- | | | |
|----|---|--|
| A. | Establishment of Service per Rule R14-2-603D (new customer charge, in addition to D, I and J below) | \$25.00 |
| 1. | If after hours | \$50.00 |
| B. | Re-establishment of Service per Rule R14-2-603D (same customer, same location within 12 months) | Note ² |
| C. | Reconnection of Service (Delinquent)
Per Rule R14-2-603D | \$30.00 |
| D. | Deposit Requirement ³ per Rule R14-2-603B | |
| 1. | Residential customer | (2 times estimated average monthly bill) |
| 2. | Non-residential customer | (2-1/2 times estimated maximum monthly bill) |
| 3. | Deposit Interest | 3.0% |
| E. | Charge for NSF Check per Rule R14-2-608E | \$25.00 |

² Number of months off system times the sum of the monthly minimum.³ The Company does not normally require a deposit prior to the provision of service. However, if the service is not in the property owner's name, this deposit is required. Also in the event service is disconnected due to nonpayment, this deposit may be required.

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
1247 Country Club Cove
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WASTEWATER SERVICE**

F.	Deferred Payment Finance Charge, per month	1.5%
G.	Late Payment, Per Month, per Rule R14-2-608F	1.5% ^{4 5}
H.	Service Lateral Connection Charge ⁶	Cost ⁷
I.	Main Extension Tariff, per Rule R14-2-606B	Cost ⁸

⁴ This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

⁵ Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.

⁶ The Company shall own the Service Lateral up to the Customer's property line. The Customer shall own the Service Lateral beyond that point. The Company shall maintain and operate the Service Lateral only from the connection to the main line in the street or right-of-way up to its interconnection with the Customer's Service Lateral at the edge of the right-of-way, beyond which maintenance is the Customer's responsibility

⁷ Per Sheet No. 5.

⁸ All Main Extensions shall be completed at cost per Sheet No. 5 and shall be refundable Advances-in-Aid-of-Construction.

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
1247 Country Club Cove
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PART ONE

STATEMENT OF CHARGES
WASTEWATER SERVICE

IV. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
- C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
- D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.
- E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
- F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
1247 Country Club Cove
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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

I. CUSTOMER DISCHARGE TO SYSTEM

A. Service Subject to Regulation

The Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. Those Regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

B. Waste Limitations

The Company has established the permissible limits of concentration as domestic strength wastewater and will limit concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Company, with a copy filed with the Commission. No person shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. The Company will require an affidavit from all commercial and industrial customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength.

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
1247 Country Club Cove
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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

C. Inspection and Right of Entry

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by the Company as it deems necessary. These facilities shall include but not be limited to sewers; sewage pumping plants; all processes; devices and connection sewers; and all similar sewerage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at the written or verbal request of the Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by the Company for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at the Company's service area in an empty condition. Inspection will

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

be required of said units prior to their being allowed to hookup to the wastewater system.

D. Termination of Water Service for Violation of Wastewater Rules and Regulations

The Company is authorized to discontinue water service to any person connected to both its water and sewer systems who violates the Company's wastewater terms and conditions as set forth in this PART TWO or in any way creates a public health hazard or the likelihood of such a public health hazard. This termination authority does not apply to non-payment for water or wastewater services.

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
1247 Country Club Cove
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PART TWO

STATEMENT OF TERMS AND CONDITIONS
WASTEWATER SERVICE

II. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-610 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

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Dwight Zemp, General Manager
SACRAMENTO UTILITIES, LLC
1247 Country Club Cove
Bullhead City, Arizona 86442